Is the mortgage market working for consumers?

November 2016

Executive summary

- To evaluate whether the UK mortgage market is delivering for consumers it is necessary to understand what matters most to consumers. We conclude that access to mortgage credit is the most important factor for prospective borrowers followed by price, transparency and an understanding of the products on offer. Lastly, the efficiency of the application process is generally of less importance but can, nonetheless, sometimes be a source of considerable frustration.

- We have grouped consumers' main concerns into three broad categories in descending order of importance as follows:

Access to appropriate mortgage borrowing

- We conclude that access to the mortgage credit that consumers want and feel is affordable is usually the most significant priority. This concurs with research conducted with consumers which was commissioned by the Financial Conduct Authority (FCA)[1].

- IMLA conducts regular sentiment surveys among intermediary lenders and intermediaries themselves. The latest research (conducted over August and September 2016) asked both groups for their view on the biggest consumer frustrations in the mortgage market. According to the results, the largest perceived frustration, cited by 70% of lenders and 67% of brokers, is the limit on what people can borrow imposed by affordability constraints.

- The IMLA survey also shows the difficulties that brokers are having obtaining mortgage finance for some client groups. 51% of brokers said they had been unable to source a loan for a borrower seeking an interest-only loan in the previous six months, 49% for a client with adverse credit and 46% for a self-employed client or one with an irregular income.

Price competitiveness, transparency and consumer understanding

- The price of credit will always be an important factor for consumers and the degree of price competition between lenders is an important component determining what consumers pay, although changes in market interest rates are often more significant.

- We conclude that the level of price competition is heavily influenced by the regulatory environment. The higher capital requirements of Basel 3 and the broader regulatory approach has required lenders to raise margins and lessened the appetite for higher risk customer groups. But within this more restrictive regulatory framework there is still a healthy degree of competition between lenders, particularly for the lowest risk customer segments.

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[1] "Understanding consumer expectations of the mortgage sales process" Rowe, Wright and Wootton (2015).

- The industry is making strides to improve transparency further through the Council of Mortgage Lenders/Which? transparency initiative. Meanwhile, the increase in the share of lending arranged through intermediaries since the requirement for advised sales in the Mortgage Market Review (MMR) in 2014 should ensure that consumers who want independent professional advice should get it, and thus allow them the help they require to judge the most appropriate product features for them.

Process efficiency

- Undoubtedly the most significant influence on the mortgage application process in recent years has come through the MMR. The requirement on lenders to verify borrower income in every case and the need for more detailed affordability checks has increased the amount of time consumers have to spend on the process and extended the average length of the process.

- In the IMLA survey 67% of lenders cited too much paperwork as one of the biggest consumer frustrations when applying for a mortgage, second only to the impact of affordability constraints on the amount that could be borrowed.

Conclusion

- Regulation may have delivered a more stable mortgage market but this seems to have been achieved at the expense of some customer groups who now find it more difficult to access mortgage finance and tighter limits on the amount people can borrow. The market continues to work well for borrowers in secure jobs with strong credit histories and sizeable deposits but as our survey evidence suggests, the customers who fall outside this category face a less accommodating market, with serious implications for their access to homeownership and all the benefits that can bring.

- It is important that the FCA's planned competition review gives full recognition to the role that regulation plays in limiting consumer access to the mortgage market. We also call for an independent assessment of mortgage regulation to be undertaken to ensure that the interests of excluded borrowers are properly weighed against the benefits of a more constrained market.

1. Defining consumer interests

1.1 What matters to consumers?

To answer the question ‘is the mortgage market working for consumers’, it is necessary to define the criteria by which the market’s performance should be judged. This in turn involves understanding the key concerns for consumers.

Borrowing is always a means to an end. It is a mechanism for individuals to achieve an objective more quickly than would otherwise be possible. In the case of mortgage finance, the most significant objective for consumers is typically going to be the purchase of a house they wish to live in that would otherwise be out of reach. This is supported by ‘*Understanding consumer expectations of the mortgage sales process*’, research conducted for the FCA in July 2015.

The ability of the mortgage market to deliver this outcome will depend on a number of factors. First of course is the issue of mortgage availability but other factors such as price and speed of offer can also play a role.

You can group these consumer concerns into three broad headings in order of importance: Access to appropriate mortgage borrowing; Price competitiveness, transparency and consumer understanding; and Process efficiency. Under these headings, we outline the main questions we believe need to be answered to determine whether the market is working for consumer as follows:

Access to appropriate mortgage borrowing

- Are consumers able to borrow the amount they wish and can sensibly afford?
- Is the full range of consumers who can afford a mortgage being properly served?
- Are consumers able to access the full range of different mortgage products to meet varying circumstances over their lives (e.g. equity release or interest-only)?

Price competitiveness, transparency and consumer understanding

- Does competition between providers ensure that consumers get a satisfactory deal when taking out a loan?
- Do consumers have the information they need to make informed decisions when taking out mortgage finance?
- Do consumers have access to sound professional advice on the right loan for them in their circumstances?

- Are interest rates and charges clear enough and can consumers compare prices between different lenders and different products?

Process efficiency

- Is the mortgage process as straight forward and simple as it could be?

- Can consumers access mortgage finance speedily enough?

1.2 Changing interpretation of consumer interest

However, defining the consumer interest is not as straightforward as it may at first appear because the interpretation of what constitutes good consumer outcomes has changed over time. Prior to the financial crisis the prevailing ethos of regulators and market commentators was that consumers could broadly be expected to act in their own best interests when accessing credit, rationally seeking out the cheapest and most appropriate deal for themselves, sometimes with the help of a professional mortgage intermediary. This view was supported by the prevailing economic theory of consumer rationality.

At that time, it was felt that self-interested consumers were balanced by rational profit-maximizing lenders in competition with one another, which ensured that risk was appropriately priced and that consumers would not be able to overburden themselves with debt. In short, there was faith in the market mechanism delivering broadly positive outcomes for both consumers and lenders.

Since the financial crisis, regulators have explicitly questioned the view that consumers and lenders acting in a competitive market can always be trusted to deliver positive outcomes. Regulators now talk of protecting consumers from themselves and take a much more questioning line on lenders' ability to assess and price risk. For example, in the paper '*Applying behavioural economics at the Financial Conduct Authority*' (FCA, 2013) by Erta and colleagues, the report suggests the main lessons from behavioural economics for retail financial markets are as follows:

> *"How consumers make predictable mistakes when choosing and using financial products; and how behavioural biases can lead firms to compete in ways that are not in the interests of consumers."*

This altered analytical framework for how consumers make choices in financial markets is echoed in academic literature, for example Essene and Apgar (2007) who argue that "consumer preferences are malleable not fixed" and "consumers struggle with choices that involve risks and payments over time."

In a sense, a new stakeholder – the public interest – has been inserted into the equation alongside the interests of consumers and lenders. So, in effect, regulators are now assessing the mortgage market on the basis of three main criteria:

- Does it deliver positive outcomes for consumers with sufficient competition to ensure that loans are provided to responsible borrowers at reasonable cost while protecting them from a desire to borrow irresponsibly?
- Does it allow lenders to make adequate returns to allow for the risks they run?
- Does the mortgage market operate in the fashion that does not pose a risk to the wider public interest?

Take interest-only as an example. Prior to the financial crisis, it was felt that consumers should be free to choose whether to borrow on an interest-only basis and that lenders were adequately equipped to understand and price any additional risk that such borrowers might pose. Today, even where a consumer could make a well-informed decision to borrow on an interest-only basis without a separate repayment vehicle and the lender would appear to be well protected by a large deposit, regulators see an over-riding public interest in preventing lenders from making interest-only loans to owner-occupiers without a separate repayment vehicle, regardless of how little risk there may appear to be to the lender (because for example the loan-to-value (LTV) ratio is low).

But the new ethos has much wider implications. The more stringent affordability requirements, with lenders required to assess affordability with the assumption that Bank Rate were to be 3 percentage points higher, and the requirement that income must not only be stated by the borrower but also verified in all cases by the lender illustrates the new regulatory mindset that the mortgage market can no longer be comprised simply of free-acting lenders and borrowers.

These new requirements impact on the availability of mortgage finance by restricting the amount people can borrow, and on the mortgage approval process by increasing the amount of information the prospective borrower must provide and lengthening the approval process. Where once a quicker application process or higher lending ceiling might have been thought of as a straightforward improvement for consumers, today they might be considered rash and not in the consumer’s long term interests.

We now consider the three categories of consumer concern we have identified in more depth.

2. Access to appropriate mortgage borrowing

2.1 Today's narrower market

While consumers will be concerned about the speed with which they can obtain mortgage finance and the degree of price competition, nothing is usually more important to them than being able to obtain the mortgage finance they need and feel is appropriate to their circumstances. This was a finding in the FCA commissioned report referenced earlier (Rowe et al, 2015) which was based on interviews with consumers.

But since the introduction of the new MMR rules (26 April 2014) it has been an explicit public policy aim to prevent all borrowers from overstretching themselves. There has also been reduced availability of non-prime mortgage products and high LTV loans since the financial crisis, reflecting changing lender preferences and, in the case of high LTV loans, higher capital requirements under Basel 3. The Redfern review, published in November 2016, estimated that between 2002 and 2014, tougher credit constraints in the mortgage market cut 3.8% from the UK homeownership rate. Some of this decline is likely to have resulted from lenders adjusting to the proposals in the draft MMR as the first MMR consultation paper on responsible lending was published by the FSA in July 2010 and lenders reviewed lending practices in the light of its proposals.

The IMLA survey confirms the difficulties that brokers are having obtaining mortgage finance for some client groups (see Table 1). In H1 2016, 51% of brokers said they had been unable to source a loan for a client seeking an interest-only loan, 49% for a borrower with adverse credit and 46% a self-employed client or one with an irregular income. Similar figures have been reported in every half-year period since H2 2014.

Table 1

Brokers unable to source a loan for the following clients during a six month period	H1 2016	Average H2 2014-H1 2016
Standard status borrowers	25%	23%
Near-prime borrowers	25%	23%
Adverse credit borrowers	49%	50%
Self-employed borrowers or borrowers with irregular incomes	46%	45%
'Lending into retirement' borrowers	43%	48%
Interest-only borrowers	51%	49%
First time buyers	27%	21%
Buy-to-let borrowers	30%	23%
I have not had this problem for any client in the last six months	27%	19%

As well as restricting the options of individual consumers, there is evidence that this less permissive market has adversely impacted the efficiency of the wider housing market. A report by the Nottingham Building Society in August 2016 (NBS, 2016) showed that problems obtaining the required mortgage finance were the largest

cause of housing transactions falling through with 34% of failures being blamed on mortgage finance not being available.

This supports the largely anecdotal view that the mortgage market is less comprehensive in the range of consumers it now serves than it was a decade ago with an adverse impact on the wider property market. However, regulators and many others would claim that a market that allows consumers to overstretch themselves is not working in the best long term interests of the consumer.

2.2 FCA responsible lending review

We got an insight into the thinking on this subject by the FCA in May 2016, when it published its view on how the responsible lending rules had affected firms, consumer outcomes and competition in the marketplace (FCA, 2016).

The key findings were:

- firms have recognised and positively engaged with the aim of the FCA's responsible lending rules
- there was no evidence of previous poor practices like self-certification of income or interest-only lending without a credible repayment strategy
- where lending was affordable, the FCA did not see evidence that the rules had prevented firms lending responsibly across particular groups, for example older borrowers and the self-employed
- improvements can be made to some aspects of firms' affordability assessment process, monitoring and record keeping
- most lenders are using the flexibility afforded by the rules when dealing with their own existing mortgage customers. However, some firms could be more proactive and consistent when making use of exceptions
- market data has shown that the responsible lending rules do not appear to have had a material impact on lending volumes. However, it is anticipated that the rules will have a greater impact as interest rates rise and affordability is stretched.

Perhaps unsurprisingly, the FCA formed a fairly benign view of the impact of MMR. For example, its conclusion that the responsible lending rules do not appear to have had a material impact on total lending volumes and its conclusion that the rules had not prevented responsible lending across particular customer groups such as older borrowers and the self-employed are hard to verify factually.

The report states:

> *We did not find evidence that the rules have prevented firms lending responsibly across particular groups, for example older borrowers and the self-employed except in one niche area of lending that we've taken steps to address. We have come to this view based on:*

• market data which shows there has been no obvious decline in lending to these customer groups post-MMR

• evidence from our review showing compliant lending to these groups.

However we are especially mindful that older consumers represent an increasing proportion of the UK population and it is important that the mortgage market continues to develop a range of products that can meet their needs. Lending to older borrowers will be included in our wider strategy work on the ageing population following our recent discussion paper.

Our review of market data has shown that over a period where there have been a number of other interventions in the market, the responsible lending rules do not appear to have made a material impact on lending volumes. Although, while the market is subdued any impacts are likely to be less visible, it is anticipated that the rules will have a greater impact as interest rates rise and affordability is stretched.

2.3 Industry view

It is difficult to be definitive in any conclusions about the impact of the MMR because there is no observable counterfactual to the post-MMR mortgage market, so we cannot observe what would otherwise have happened. But IMLA's survey gives us a way to see what lenders and mortgage brokers observe. Asked 'What do you think the biggest consumer frustrations when applying for a mortgage are?', 70% of lenders and 67% of brokers cited 'Affordability constraints meaning people can't borrow as much as they would like to' (see Table 2). A key factor behind this frustration is the interest rate stress test which currently requires lenders to assess affordability on the assumption that Bank Rate will be 3 percentage points higher than the current rate.

Table 2

Biggest consumer frustrations when applying for a mortgage	**According to lenders**	**According to brokers**
Affordability checks take too long	30%	29%
Too many terms & conditions	26%	28%
Too much paperwork	67%	38%
Delays getting a valuation	19%	9%
Income verification – too lengthy a process	22%	34%
Affordability constraints limiting amount that can be borrowed	70%	67%
Quality of advice not good enough	11%	9%
Not fitting a lender's criteria	41%	64%
Other (please specify)	4%	0%

The survey also suggested that lenders and brokers felt that gaps remain in the range of products available. Asked 'Do you agree or disagree that UK consumers would

benefit from more options?' 85% of lenders thought consumers would benefit from more choice at 95% LTV, 81% from more guarantor mortgages, 78% more lifetime mortgages and 78% more flexible income verification options for self-employed borrowers (see Table 3). And when asked to rate the market's ability to serve standard and non-standard customers, both lenders and brokers were significantly less sanguine about the ability to serve non-standard customers.

Of course, the view that there are product gaps cannot be interpreted as a function purely of regulation. Lenders control decisions over product ranges and although their decisions are conditioned by the regulatory environment, opportunities remain to generate good return by serving specific niches. Indeed, it is no doubt positive news that lenders see the benefits that consumers could reap from increased product options.

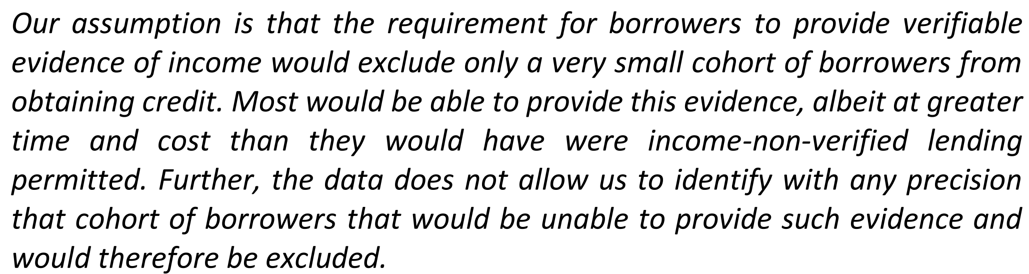
Table 3

Would consumers benefit from more options with regard to:	**According to lenders**	**According to brokers**
More flexible income verification for the self-employed	78%	81%
Sub-prime mortgages	37%	52%
100% LTV mortgages	19%	26%
95% LTV mortgages	85%	78%
Lifetime mortgages	78%	62%
Guarantor mortgages	81%	66%
Other (please state)	0%	10%

There has also been some questioning of the analysis underpinning the MMR. The Financial Services Consumer Panel published a paper entitled '*Peer review of part of cost-benefit analysis in mortgage market review*' in March 2012 (European Economics, 2012) which concluded that "the analysis misses many (probably most) of the affected parties — including: currently deterred buyers; sellers; estate agents and other housing market intermediaries."

Furthermore the paper stated that "the MMR well-being analysis conclusion depends upon a claim that larger gains from the MMR proposals to a small number of current buyers outweigh smaller losses to a larger number of newly deterred buyers. Including a much larger set of potential losers could potentially overthrow that conclusion". The CML's detailed analysis of earlier MMR proposals (Tatch, 2010; Policis, 2010) – rather than the final rules – concluded as follows:

> *In its own simulation work, set out in CP 10/16, the FSA indicates that 17% of borrowers would have been affected by the proposals over this period, tallying fairly closely with our own base finding above. But FSA has since confirmed that its analysis simulates the impact solely of lenders undertaking an affordability assessment (using a methodology largely comparable with our own), and not of any additional proposed requirements it sets out in the paper.*



Our assumption is that the requirement for borrowers to provide verifiable evidence of income would exclude only a very small cohort of borrowers from obtaining credit. Most would be able to provide this evidence, albeit at greater time and cost than they would have were income-non-verified lending permitted. Further, the data does not allow us to identify with any precision that cohort of borrowers that would be unable to provide such evidence and would therefore be excluded.

We estimate that the additional requirements of assessing affordability on a maximum 25 year term, on a capital-plus-interest basis and adding a 20% income buffer for those applications where the borrower had impaired credit history would mean instead of 16%, this would rise to around 32% of the total.

Building on top of this a 2% interest rate stress test (above initial rate), this proportion rises to 51% of the total – around 4 million loans – that might not have been granted.

Our own analysis therefore indicates that the total number of borrowers potentially affected by the FSA's proposals looks to be significantly higher than the figures set out in CP 10/16.

Although the proposals would make significant impact during the peak of the market cycle, it appears that pronounced effects on lending volumes would be felt even at the most depressed periods in the cycle, resulting in an unintended obstacle to housing market recovery.

The FSA proposals disproportionately affect specific groups of borrowers – in particular first-time buyers and borrowers with impaired credit history, and these findings will have specific implications for mortgage and housing market dynamics.

The CML analyses are insightful even though both are now dated. It is estimated that well over 2 million households who we might have expected to become home owners did not in fact enter the tenure since the downturn in 2007/08 and part of this is likely to be due to the new rules. Somewhat coincidentally the CML's Policis Report concluded:

On the basis of the central scenario for the impact analysis, we estimate that 19% of current borrowers, or 2.2 million individuals would not be able to borrow at all and a further 30% (3.4 million) would see reduced borrowing.

In summary, there is no definitive point where a line can be drawn between acceptable and irresponsible lending and no consensus on how to measure the costs and benefits of stricter lending requirements. Thus it is hard to say that today's mortgage market is working less well for consumers than it was a few years ago.

However, it is clear that the experience of lenders and brokers – backed by some research evidence – suggests that a considerable number of consumers have been excluded from the market or left unable to borrow what they feel is an appropriate and affordable amount.

3. Price competitiveness, transparency and consumer understanding

3.1 A healthy, competitive market

After the objective of obtaining the mortgage finance they need, consumers are likely to focus most on price. This is confirmed by the report '*Understanding consumer expectations of the mortgage sales process*' (FCA, 2015). The report states:

> *"Once consumers have a sense of what and where they can buy, determined by the total amount they are able to borrow from lenders, their focus shifts to the initial monthly repayment amount. Consumers are primarily concerned with the amount they will be paying each month as this will affect their monthly finances, and lifestyle".*

There are around 100 active mortgage lenders in the UK. According to Moneyfacts these lenders were collectively offering 3,558 mortgage products in August 2016. The number of active mortgage lenders has been increasing in recent years but remains below the peak it achieved before the financial crisis took its toll. The number of products available has been rising since 2009 but it was also much higher prior to the financial crisis.

Pricing has also been improving for consumers both as a result of falling market interest rates and lower lender margins. But once again, spreads on new loans remain above those of the pre-financial crisis period. For example, the cheapest lifetime base rate tracker available today is around 1.5% over base rate. This compares with tracker rates as low as 0.19% over base rate in the mid-2000s, although it is an improvement on the rates available in the early 2010s.

The improvement in rates over the past six or seven years has cascaded from the deals available to the lowest risk customers (prime borrowers with low LTV loans) to higher risk products such as higher LTV loans. But a substantial gap remains between the pricing available to these lower and higher risk customer groups. As much of this gap reflects the higher capital requirements of Basel 3 it is unlikely to continue to shrink substantially in the future. The Redfern Review's findings underline the growth in this gap; following the financial crisis the difference in average interest rates between 75% and 95% LTV products increased from a near-negligible level to a spread of 3%.

The mortgage market is also relatively transparent. On any price comparison website it is possible to compare prices and lenders are required to provide an APRC to show the cost of each loan over the full term. The final report of the CML / Which? *transparency review of mortgage fees and charges* published in November 2015 (CML/Which, 2015) has taken a further step towards greater transparency and comparability by seeking to establish common terminology for lenders' mortgage charges. Agreed solutions include "a standardised industry tariff of mortgage fees and

charges, to help customers compare mortgages" and the need to "establish the use of common terminology for fees and charges and descriptions of what they entail."

It could be argued that there is now so much choice in the mortgage market that many consumers have become confused. They need to choose between fixed and variable rates, SVR and base rate trackers, while comparing initial charges and choosing the most appropriate mortgage term.

The extent of choice in the market is no doubt part of the explanation for the increase in intermediaries' share of lending. In a complex market with a lot of choices and rapidly changing prices as lenders seek to compete with one another, brokers can help the consumer to make informed decisions.

3.2 Feedback statement on competition in the mortgage market

In October 2015, the FCA called for inputs to a review of competition in the mortgage sector. In May 2016 it issued a feedback statement to report on the themes arising from the responses to the call for inputs, and set out its planned work in the area.

Although the FCA has not yet published its findings it did provide some insight into its likely approach by categorising the responses it received to the call for inputs into four main themes:

- Consumers face challenges in making effective choices, particularly when it comes to assessing and acting on information about mortgage products, with intermediaries being key to the process.
- There are opportunities to make more effective use of technology in the provision of information and advice.
- Commercial relationships between different players in the sector's supply chain – in particular the use of panels – might give rise to competition concerns.
- Certain dimensions of the regulatory framework might have a negative impact on competition.

These themes provide some pointers as to where the FCA will look when considering the state of competition in the industry. They do not suggest that regulators see any major inhibitors acting against competition in the market.

4. Process efficiency

One of the starkest changes since the introduction of the MMR has been in the mortgage approval process. The requirement that income is verified in every case has led to the demise of fast track, where lenders sense-checked a borrower's stated income. This has inevitably slowed the approval process as borrowers are now required to provide physical payslips, although brokers can help to minimise any delays by ensuring they have received these payslips from the customer when submitting a loan application. And enhanced income and expenditure assessments under the new affordability requirements have increased the amount of time consumers have to spend on the application with their lender or broker.

In the IMLA survey, 67% of lenders cited too much paperwork as one of the biggest consumer frustrations when applying for a mortgage. This was second only to the impact of affordability constraints on the amount that could be borrowed. By contrast only 38% of brokers cited this concern but that probably reflects the role of the broker in helping to complete paperwork and thereby taking some of the strain off the customer.

It is quite difficult to assess how significant these changes are to consumers and how much incremental value they provide through improving the accuracy of the affordability assessment. Certainly there is no consensus over how to analyse the size of benefits versus the size of costs that the new regulatory environment entails. While the FSA concluded that its responsible lending requirements will prove "net beneficial in well-being terms" the Europe Economics report (2012) argued the analysis failed to capture many affected parties included deterred buyers.

Certainly, delays in receiving a mortgage approval can jeopardise a property purchase but more commonly they will just add to a sense of frustration. So again, it is hard to make a definitive assessment of whether the new rules have produced a better or worse market for consumers.

5. Conclusion

The question 'is the mortgage market working for consumers?' has taken on an almost philosophical tone in recent years, with the answer depending on one's relative preference for free markets or regulation.

It is possible to look at today's mortgage market and conclude that we have gone backwards over the past decade. The range of customers being served has shrunk with fewer options for borrowers with limited deposits, complex incomes or previous credit impairments. Interest-only loans are much less readily available and, where consumers can borrow, they often find a restriction on the amount they can borrow by the interest rate stress test, limiting their options in the housing market.

Indeed, it could be argued that the many government initiatives to support first time buyers with limited deposits and without access to funds from generous parents, such as Help to Buy, have been required to overcome a barrier that has become embedded in the mortgage market by excessive regulation.

But the counterweight to these arguments is that we have a more sustainable market where consumers can be more confident that they are not overstretching themselves. In short, we have a narrower but more stable market. Whether the current balance is right remains an open question, depending on the weight you apply to consumer desires to borrow in a timely fashion versus the weight applied to maintaining a steady market.

However, what the IMLA survey and other evidence suggests is that, while the market continues to work effectively for customers with secure jobs, strong credit histories and sizeable deposits, borrowers who fall outside this category are finding it significantly more difficult to obtain the mortgage finance they need to meet their objectives in the housing market. Given the demonstrable benefits that homeownership has delivered to millions of households, the narrowing of access to mortgage finance must carry with it a cost and it seems that this cost has not been properly factored into the assessment of whether we have the regulatory balance right.

In that regard it is important that a proper independent assessment of the impact of mortgage regulation is undertaken. IMLA has previously commented on the scale of regulatory layering that has taken place in recent years and that continues apace as is evident from recent interventions around the buy-to-let market. With government still wishing to reverse the decline in homeownership – albeit now in a more balanced way than the previous regime – lenders continue to find themselves caught between the legitimate aspirations of consumers and politicians and the constraints of an expanding regulatory framework.

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About IMLA

The Intermediary Mortgage Lenders Association (IMLA) is the trade association that represents mortgage lenders who lend to UK consumers and businesses via the broker channel. Its membership unites 34 banks, building societies and specialist lenders responsible for over £180bn of annual lending across all distribution channels in 2015, including 16 of the top 20 UK mortgage lenders.

IMLA provides a unique, democratic forum where intermediary lenders can work together with industry, regulators and government on initiatives to support a stable and inclusive mortgage market. Originally founded in 1988, IMLA has close working relationships with key stakeholders including the Association of Mortgage Intermediaries (AMI), Council of Mortgage Lenders (CML) and Financial Conduct Authority (FCA).

Visit www.imla.org.uk to view the full list of IMLA members and associate members and learn more about IMLA's work.

About the author

Rob Thomas is a Director of Research at Instinctif Partners. He previously served as an economist at the Bank of England (1989-1994), a high profile analyst at the investment bank UBS (1994-2001) and as senior policy adviser to the Council of Mortgage Lenders (2005-12). He was also the project originator and manager at the European Mortgage Finance Agency project (2001-05) and created the blueprint for the government's NewBuy mortgage scheme.